

**Amended 08/2012**

**Distribution: All Directors and employees**

## **1. INTRODUCTION**

Advanced Braking Technology Ltd and its subsidiaries (“ABT” or “Group”) values its reputation for honesty and integrity.

That reputation will only be upheld if everyone in the Company acts, and is seen to act, in accordance with the highest standards of propriety and business ethics.

This Code of Conduct, as approved by the Directors, sets out the standards expected of the Directors and employees (collectively referred to below as “Employees”) of the Company in the performance of their duties. The Code does not attempt to instruct people in how to conduct their lives outside their relationship with the Company, nor to influence their personal beliefs.

Put simply, the Code of Conduct is a formalisation of the values and standards currently adopted by the group in conducting its business. By continuing to apply those values and standards, benefits will flow to both the employees and shareholders of the Company and, ultimately, to the community at large.

## **2. APPLICATION**

The Code of Conduct applies to all of the operations and to all Employees of the Group.

## **3. COMPLIANCE WITH THE LAW**

ABT undertakes to comply with all applicable laws at all times. In interpreting the law, the Group will always endeavour to adopt a course which reinforces its reputation for integrity.

## **4. CORPORATE CONDUCT**

ABT's reputation for integrity is a valuable asset which must be protected at all times. The Employees of the Company will therefore conduct their business on behalf of the Company in accordance with the highest ethical standards and sound corporate governance.

## **5. CONFLICTS OF INTEREST**

The Company expects its Employees not to place themselves in a position where their private interests conflict directly or indirectly with their obligations to ABT. Any such conflict should be reported to the employee's supervisor or manager, or, if a Director, should be reported to the Board. Similarly, any personal interests or obligations of Employees which could create any suspicion that actions they take or decisions they make for the Group might be influenced by those personal interests should be reported.

Employees shall not solicit or accept any benefits (such as cash, gifts or entertainment) from any person in connection with, or as a reward for, any service or business of the Group. Equally, it is against the policy of ABT to secure business by creating a conflict of interest on the part of an employee of an organisation dealing with the Group.

This policy does not preclude the exchange of ordinary hospitality between persons (such as meals in the normal conduct of business) or, subject to the requirements of honesty and fiduciary duty to the Group, the acceptance of unsolicited, non-cash gifts of nominal value where it is clear that the donor is not attempting to influence the recipient.

## **6. CUSTOMERS AND BUSINESS RELATIONSHIPS**

All dealings with customers and suppliers shall be conducted in a professional and courteous manner. Commitments to buy or sell on behalf of the Group must be made solely on sound commercial grounds having regard to quality, price and service.

## **7. EMPLOYEES**

All employees will be given every reasonable opportunity to fully develop their abilities to advance within the Group.

The Group is committed to diversity, including, but not limited to, gender, age, ethnicity and cultural background, and such factors will not be of relevance in appraising individuals for employment, salary review or promotion.

Employee harassment of any kind (including sexual harassment) will not be tolerated. Sexual harassment includes any unwelcome sexual advances, requests for sexual favours or any other verbal or physical conduct of a sexual nature.

The use of any means (including electronic communication such as email or the Internet) to disseminate material which is sexually explicit, defamatory, racist or vulgar, is prohibited.

Wilful disregard of this policy will result in immediate dismissal.

## **8. CONFIDENTIALITY**

Information of value to ABT which has not been publicly disclosed is confidential and shall not be divulged by any Employee of the Group without proper authorisation. Confidential information includes information about the Group, its suppliers, customers and employees as well as information obtained from others which the Group has an obligation to keep confidential. The obligation of confidentiality continues even after employment has terminated.

## **9. USE OF GROUP ASSETS**

ABT's assets (such as cash, vehicles, stock and equipment) are only to be used by Employees for the Group's business purposes or interests. Assets are not to be removed from Group premises without proper authorisation or compliance with relevant procedures.

## **10. BUYING AND SELLING OF SHARES**

The Group has established a specific detailed policy related to dealing in securities of Advanced Braking Technology Ltd ("Company"). In general terms, an officer or employee must not buy or sell shares in the Company at any time when that officer or employee possesses information that is not generally available but, if it was, could reasonably be expected to have a material effect on the price or value of the Company's shares. Employees should refer to the "Security Trading Policy" for details.

## **11. POLITICAL CONTRIBUTIONS**

No Group payments or gifts of value may be made to a political party or candidate without the prior approval of the Board.

## **12. ACCOUNTING OR AUDITING MATTERS**

Any employee who has concerns regarding questionable accounting or auditing matters may: make a complaint or a confidential anonymous submission to the Chairman of the Audit Committee or to the Chairman of the Board.

**13. COMPLIANCE WITH THE CODE**

Employees are required to report to their manager or supervisor, or if a Director, to the Board, every known or suspected work-related event which involves questionable, dishonest or fraudulent activity.

**13. BREACHES OF THE CODE**

All suspected breaches of the Code of Conduct will be investigated. Persons responsible for a breach of the Code will be subject to appropriate disciplinary action, which may include dismissal.